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CENTRAL INTELLIGENCE AGENCY

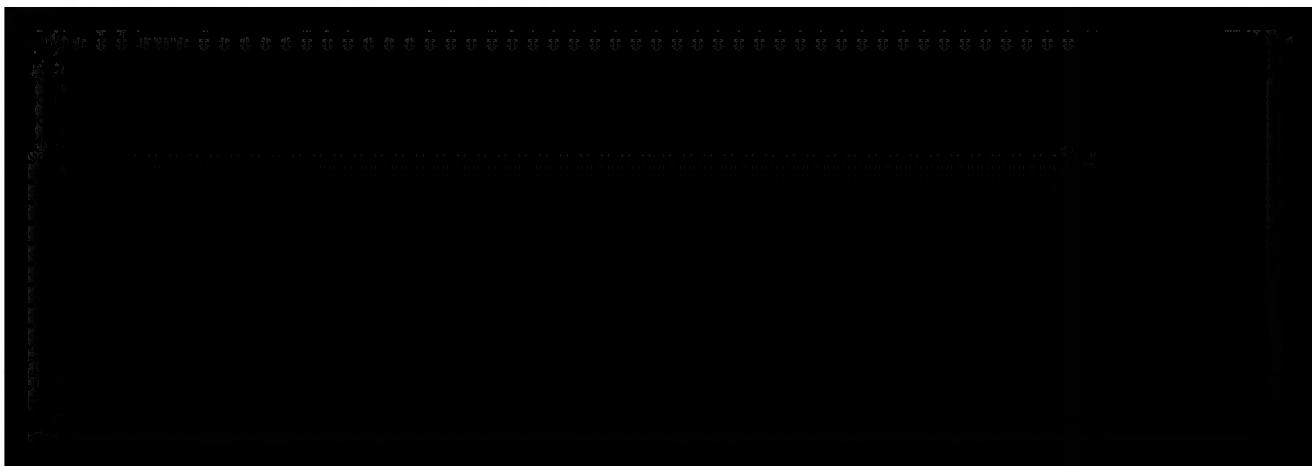
15 March 1957

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Dangers in the Egyptian-Israeli Situation

1. Prospects for the outbreak of new violence in the Egyptian-Israeli situation have been increased by the provocative manner of the Egyptian return to Gaza.

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3. The Egyptians almost certainly feel themselves to be in a strong position diplomatically, though not militarily. Within the last few days, Egypt strongly emphasized that Gaza is subject to Cairo's jurisdiction under the armistice agreement and that the UN is there on Egyptian sufferance. This position has apparently been acquiesced in by Messrs. Hammarskjold and Dunche. Nasser almost certainly assumes

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that the UN would be very reluctant to use the UNEF ( which includes detachments from such states as India and Yugoslavia) to impose new restraints on Egypt not acquiesced in by the latter.

The Gaza Problem

4. Egypt has moved more promptly and aggressively than apparently UN officials anticipated in reasserting its authority in Gaza. An Egyptian major general has been designated civil governor of the Gaza Strip and has already arrived with a small detachment of military police and military and civilian advisors. According to press reports, he has begun to exercise administrative authority. Egypt's sharp criticism of the UNEF for firing on demonstrators in Gaza -- who were almost certainly organized by the Egyptian government -- appears to presage an effort to have the UNEF relegated to border patrol duties, if not entirely removed from the Gaza Strip. Three fedayeen, armed and equipped with arms and dynamite, were apprehended by UNEF troops while attempting to cross into Israel on the night of 13 March. There are other reliable reports that fedayeen are again present in Gaza.

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5. It is possible that the present hard line of the two sides contains some element of exaggeration and that either or both of them may modify their positions under strong pressure from the UN, the US and others. Mrs. Meir's return to the US suggests that the Israeli may, at least for a limited time, still seek a diplomatic solution. Nonetheless, Israel may take military action at any time. Egypt appears to be determined to restore full control over the area soon as possible, and -- at least in the absence of new instructions from the General Assembly -- the UN authorities will have no basis for opposing it. If Egypt should seek to reintroduce substantial numbers of Egyptian troops into Gaza or resume extensive fedayeen raids, Israel would almost certainly resort to force. Even without such acts, there is close to an even chance that continued Egyptian moves toward consolidating its control over Gaza would lead Israel to take military action. There is also some danger that Israel has already become so emotionally committed to an all-or-nothing policy and might elect to resort to force even if Egypt made some moves toward compromise.

6. If Israel decides on military action, it would almost certainly have the moral backing of France, and perhaps some military

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support in the form of air cover. France has continued to supply arms to Israel and, according to the French Defense Minister, is prepared to furnish air cover against possible bombing raids from Egypt. The UK Government is already considering shipment of military supplies to Israel, but has denied giving any assurance of direct military support.

7. Should Israel resort to armed force, the USSR would join the Arab-Asian and other states in opposing Israel by diplomatic and propaganda methods, including activity in the UN. It seems unlikely that the armed conflict would last very long, or that it would spread beyond the Gaza area, since we believe that neither Israel nor Egypt would wish to enlarge it. For this reason we think it unlikely that Soviet military or technical personnel in Egypt (or Syria) would become involved.

The Gulf of Aqaba Issue

8. The Israeli government is firmly committed to test its rights to "innocent passage" through the Gulf of Aqaba,\* and may do so with a chartered Danish freighter within the next week. The

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\* Israel has also talked of testing its claims to free use of the Suez Canal, though present indications are that it will probably delay on the latter point pending an interim arrangement on general use of the canal.

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Israelis may also send one or more of its naval vessels now at Elath (two frigates and supporting motor launches) through these waters. There is a better than even chance that such a test will encounter no more than verbal opposition from Egypt and the other Arab states. Egypt will be unable to interdict the Straits of Tiran with shore batteries so long as the UNEF remains in occupation. Egyptian naval forces in the area are inferior to those of Israel, and Egypt would probably stop short of using its IL-28's to prevent passage of Israel-bound shipping. However, Egypt and the other littoral states of the Gulf, Saudi Arabia and Jordan, will refuse to acknowledge any successful passage as legitimate, and once UNEF forces withdraw Egypt might seek to interdict the Straits, thereby almost certainly precipitating a new military clash with Israel. An Egyptian official in Cairo has already taken the line that the UN has no justification for maintaining forces in Sharm el-Sheikh.

FOR THE BOARD OF NATIONAL ESTIMATES

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SHERMAN KENT  
Assistant Director  
National Estimates

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